

M e m o r a n d u m

Date: May 21, 2010

To: Office of the Commissioner
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2009 COMMAND AUDIT REPORT OF THE
RANCHO CUCAMONGA AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2009 Command Audit Report of the Rancho Cucamonga Area. The audit focused on the command's Driving Under the Influence and Asset Forfeiture Programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Rancho Cucamonga Area agreed with all of the findings and plans to take corrective action to improve its operations.

Rancho Cucamonga Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. Also, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Field; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; Inland Division; and the Rancho Cucamonga Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

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Furthermore, in accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspections would like to thank the Rancho Cucamonga Area's management and staff for their cooperation during the audit. If you need further information, please contact Captain Ernie Sanchez at (916) 843-3160.


M. C. A. SANTIAGO, CIG, CLEA
Assistant Commissioner

cc: Office of the Assistant Commissioner, Field
Inland Division
Rancho Cucamonga Area
Office of Legal Affairs
Office of Inspections, Audits Unit

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

**COMMAND AUDIT OF THE
RANCHO CUCAMONGA AREA**



FINAL REPORT

MAY 21, 2010

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

*COMMAND AUDIT OF THE
RANCHO CUCAMONGA AREA*

OFFICE OF INSPECTIONS, AUDITS UNIT

MAY 21, 2010

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the Rancho Cucamonga Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was January 1, 2008 through April 30, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of September 1, 2008 through March 31, 2009. The audit included a review of existing policies and procedures, as well as, the examining and testing of recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from May 4 - 8, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the Rancho Cucamonga Area's operations, this audit revealed the Rancho Cucamonga Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

DUI Cost Recovery Program

- The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.
- The command did not always properly complete their DUI Cost Recovery Program documents.
- The command did not always submit DUI Cost Recovery Program billing packages timely to Fiscal Management Section.

Asset Forfeiture Program

- The command did not always provide Asset Forfeiture training to affected personnel at least once a year.

Please refer to the Findings and Recommendations section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the Rancho Cucamonga Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

OBJECTIVE AND SCOPE

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit scope period was from January 1, 2008 through April 30, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period September 1, 2008 through March 31, 2009. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from May 4 - 8, 2009.

METHODOLOGY

Under the direction by the Office of the Commissioner, each command was randomly selected to be audited regarding its DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings of this command.

OVERVIEW

DUI Cost Recovery Program: The command was compliant with most state laws and departmental policies and has adequate internal controls regarding their DUI Cost Recovery Program. However, the command did not always ensure the accuracy of their DUI Cost Recovery Program documents; did not always properly complete their DUI Cost Recovery Program documents; and did not always submit DUI Cost Recovery Program billing packages timely to the Fiscal Management Section.

Asset Forfeiture Program: The command was compliant with state laws and most departmental policies and has adequate internal controls regarding their Asset Forfeiture (AF) Program. However, the command did not always provide AF training to affected personnel at least once a year.

This audit revealed the command has adequate operations, nevertheless, issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain the command's compliance with appropriate law, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

FINDINGS AND RECOMMENDATIONS

DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

FINDING 1: **The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.**

Condition: From September 1, 2008 to March 31, 2009, the command generated 124 CHP 735, Incident Response Reimbursement Statement forms. The auditor randomly selected 55 DUI Cost Recovery billing packages for review. Based on the review, the hours billed on 13 (23.6 percent) CHP 735 forms did not reconcile to the associated CHP 415, Daily Field Record forms because the officers did not itemize the billable hours.

Additionally, eight (14.5 percent) of the 55 CHP forms had conflicting “date to FMS” listed on the CHP 735 forms and “date to FMS” listed on the CHP 735A, DUI Cost Recovery Program Control Log.

Criteria: Government Code (GC) Section 13403 (a)(6) says one of the elements of a satisfactory system of internal accounting and administrative control is an effective system of internal review.

Highway Patrol Manual (HPM) 11.1, Administrative Procedure Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.e.(2)(c) states, “The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area office must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender’s name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record.”

Recommendation: The command should maintain accurate DUI Cost Recovery documents according to policy. Additionally, the command should reconcile the number of billable staff hours claimed on the CHP 735 forms with the CHP 415 forms to substantiate the billable hours.

FINDING 2: The command did not always properly complete their DUI Cost Recovery Program documents.

Condition: Based on a review of 55 DUI Cost Recovery billing packages, 21 (38 percent) billing packages revealed the offender's court case numbers were not recorded on the CHP 415 forms and in another 18 (33 percent) instances the offender's court case numbers were not consistently recorded on the CHP 415 forms.

Additionally, two (4 percent) of the billing packages did not have the offender's names listed on the CHP 415 forms and in another 28 (51 percent) instances the offender's names were not consistently listed on the CHP 415 forms.

Criterion: GC Section 13403 (a)(6) says one of the elements of a satisfactory system of internal accounting and administrative control is an effective system of internal review.

HPM 11.1, Administrative Procedure Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.e.(2)(c)(1) states, "Offender's name and court case number shall be included on the CHP 415, Daily Field Record."

Recommendation: The command should include the offender's court case number and name on their CHP 415 according to policy.

FINDING 3: The command did not always submit DUI Cost Recovery Program billing packages timely to the Fiscal Management Section (FMS).

Condition: Based on the review of 55 DUI Cost Recovery billing packages, 12 (22 percent) billing packages were submitted to FMS from 12 to 72 business days after receiving the necessary information required to submit the billing package.

Criterion: GC Section 13403 (a)(6) says one of the elements of a satisfactory system of internal accounting and administrative control is an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b.(1) states, "Completed CHP 735s, Incident Response Reimbursement Statements, based on Section A (refer to Annex B) shall be forwarded to Fiscal Management Section (FMS), Reimbursable Services Unit, within ten business days of one of the following dates:

- (a) The date BAC results of .08% or greater are received.
- (b) The date BAC results of .04% or greater are received for a commercial driver."

HPM 11.1, Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4.b.(2) states, "Completed CHP 735s, Incident Response Reimbursement Statements, based on Section B

(refer to Annex C) shall be forwarded to FMS, Reimbursable Services Unit, within ten business days of the notification of a conviction of CVC Sections 23152, 23153, or greater offense as a result of one of the following:

- (a) In the case of a refusal.
- (b) An arrest for drugs only.
- (c) A BAC of less than .08%.”

Recommendation: The command should comply with departmental policy related to the timely submittal of DUI Cost Recovery billing packages to FMS.

ASSET FORFEITURE PROGRAM

FINDING 1: The command did not always provide Asset Forfeiture (AF) training to affected personnel at least once a year.

Condition: The command did not provide AF training to affected personnel at least once a year. However, the command has requested AF training from Inland Division.

Criteria: HPM 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraphs 21.a. and 21.b. states:

“a. In order to ensure uniformity throughout the Department, Division AFCs shall receive annual training from the departmental AFC coordinator in FSS. The training will encompass asset forfeiture laws, pending state and/or federal legislation relating to asset forfeiture, departmental policies, and procedures. Division AFCs will in turn provide annual training to Area AFCs, uniformed employees assigned to NTFs, canine handlers, and affected non-uniformed employees involved with asset forfeiture. The training shall be of sufficient duration to ensure full understanding of legal/policy requirements. In addition, Division AFCs should attend Division Area Commanders’ Conferences as necessary to provide commanders with an overview of the Department’s AFP and any related new legislation or updates to departmental policy.

b. Area AFCs shall provide training for Area supervisors, officers, and affected non-uniformed personnel at least once a year. Area AFCs shall ensure officers are made aware of local MOUs with allied agencies/NTFs regarding turnover of arrests for controlled substance violations and are familiar with the legal requirements and departmental policies/procedures related to the seizure of assets.”

Recommendation: The command should provide AF training to affected personnel at least once a year.

CONCLUSION

Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

ANNEX

A

M e m o r a n d u m

Date: April 21, 2010

To: Inland Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Rancho Cucamonga Area

File No.: 855.10687.9912

Subject: RESPONSE TO DRAFT RANCHO CUCAMONGA COMMAND AUDIT
REPORT

This memorandum is intended to serve as the written response to the draft command audit report of the Rancho Cucamonga Area dated April 9, 2010 and received by this command on April 15, 2010. The report details the DUI Cost Recovery and Asset Forfeiture audit conducted by the Office of Inspections on May 4 - 8, 2009.

FINDINGS REQUIRING FOLLOW-UP:**DUI Cost Recovery:**

Finding 1 – Agree. All CHP 415s are now required to be attached to each CHP 735 upon submission. The documents are then reviewed for accuracy by the program facilitator and forwarded to the lieutenant. The lieutenant again checks for accuracy before final approval. Additionally, the documents are checked to ensure the “date to FMS” listed on the CHP 735 is the same as the “date to FMS” listed on the CHP 735A.

Finding 2 – Agree. The program facilitator ensures that each CHP 415, attached to the CHP 735, has the offender’s name and court case number included. Before final approval the Area lieutenant also checks each CHP 415 to confirm the offender’s name and court case number is listed.

Finding 3 – Agree. A “back-up” position has been created to ensure timely processing when the primary DUI Cost Recovery facilitator is not available. Additionally, Area personnel have been reminded to include breath results when entering the incident in the AIS system. Area management and supervisors will continue to review the monthly DUI Cost Recovery reconciliation report from Headquarters.

Asset Forfeiture:

Finding 1 – Agree. Additional Asset Forfeiture training was conducted on June 24, 2009. The balance of affected Area personnel received the training at that time.

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BY: *[Signature]*

Rancho Cucamonga Area

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Following your review, please route this report to the Office of Inspections. Questions regarding this response may be directed to Lieutenant Mark Roe via e-mail at mroe@chp.ca.gov or by telephone at (909) 980-3994.

A handwritten signature in blue ink, appearing to read "C. W. Bridges".

C. W. BRIDGES, Captain
Commander

cc: Office of the Assistant Commissioner, Field
Inland Division